

Financial Planning Capstone Course
FCS 5550
3 Credit Hours

Prerequisites:

- FCS 3500: Financial Skills (formerly known as Consumer and Family Finance)
- FCS 5510: Building Family Wealth: Investment and Life Insurance Planning
- FCS 5520: Retirement and Benefits Planning for Families
- FCS 5530: Income Tax Planning for Families
- FCS 5540: Protecting Family Wealth: Insurance and Estate Planning

Course Description: This course will engage the student in critical thinking and decision-making about personal financial management topics in the context of the comprehensive financial planning process.

Course Objectives:

Upon successful completion of this course the student will be able to:

- Integrate financial planning content areas into the development of comprehensive financial plans and targeted financial planning recommendations
- Synthesize and integrate complicated topics into cohesive and defensible recommendations
- Integrate knowledge gained in other financial planning and support courses
- Demonstrate the ability to analyze, synthesize, and evaluate personal financial situations
- Demonstrate the ability to develop and justify the economic assumptions used in a financial plan
- Prioritize goals and determine the feasibility of achieving these goals
- Demonstrate the ability to clearly discuss and justify recommendations
- Synthesize a comprehensive plan of action based on the full picture of the client's financial situation
- Synthesize and integrate complex and conflicting information sources into cohesive and defensible recommendations for clients
- Communicate effectively with the client and present information at an appropriate level
- Explain the CFP Board's *Code of Ethics and Professional Responsibility* and *Financial Planning Practice Standards* as they apply to the financial planning process
- Describe the compliance issues that exist in the financial services workplace

Content Overview:

This course will cover and review in depth some of the different areas of financial planning necessary to complete a comprehensive financial plan for a client. During this course students will work individually and in groups to bring knowledge together from each of the relevant pre-requisite courses to evaluate case study situations representing samples of what may be encountered in the work place as CERTIFIED FINANCIAL PLANNER™ practicing professionals. Students will also enhance their learning through their attendance and participation in class where there will gain practical insights shared by the instructor and other current CERTIFIED FINANCIAL PLANNER™ practicing professionals as well as other guest speakers with particular insight on given topics of their specialty.

Students will also become aware of, will discuss, will research and will write intelligently about their significant ethical responsibilities to clients, the public at large and the ever developing and maturing profession. They will become familiar with the CERTIFIED FINANCIAL PLANNER BOARD OF STANDARD'S Code of Ethics and other guidelines for their professional conduct.

Finally, students will have a chance to review and develop for implementation, in all material respects, the several elements of a comprehensive financial plan. This will require a significant level of competence; effort and additional practical experience that will lead those who wish to do so to eventually pass at least the case study section of the comprehensive certification examination administered by the Certified Financial Planner Board of Standards, Inc. This course, however, is NOT intended to be a comprehensive review for the exam. Additional significant comprehensive review will be required of each student on an individual basis in order to assure a successful challenge of the exam. (Kaplan Financial www.kaplanfinancial.com and other review sources have experience in preparing individuals for the exam itself. The successful challenge of the exam differs somewhat from the ability, as will be demonstrated in this course, to synthesize knowledge in meaningful and practical ways.)

This course will employ the use of lecture, presentation, interactive discussion and group work to complete the above stated objectives.

Evaluation:

Students will be evaluated based on their ability to use critical thinking and decision making skills through oral and written exercises. Special emphasis will be placed on the student's ***attendance and participation in class***. This participation will constitute the most significant portion of the final grade. The broad definition regarding this participation will deem it successful if it is "...consistent, well prepared, well informed and intelligent" in nature- you all know what it means to contribute meaningfully to a discussion and this class, for some, may be a first experience in learning to so contribute with an expectation that graduate level effort, in some cases,

be applied. Those expecting the instructor to “spoon feed” the class with all relevant material or even all relevant connections of such material, may be disappointed.

The course will include one ongoing and two additional specific written assignments to be completed as individuals.

Ongoing Weekly Application Paper: Each week the student will come to class prepared to submit a “weekly application paper” which will also count as evidence of attendance and will be due at the beginning of each class. The topic of the weekly application paper is at the discretion of the student and should be varied both based upon the conversation in class and the research interests of the individual student. Generally, it should demonstrate expansion of the student’s thinking on a given topic of importance to the personal financial planning process. The paper should be of adequate length and substance to properly cover the subject at hand as well as the arguments both “for” and “against” the stance taken by the student author and in addition should demonstrate some support of each side of the argument by way of citation including outside sources such as online articles or other support material as appropriate. These are not major research papers, just papers averaging three to four (double spaced) pages per week encouraging the legitimate expansion of student thinking on various topics of interest. Think of them as opportunities to expand your horizons and to think through issues that are not altogether understood or obvious to you. Use them as intended tools to assist your growth and competency in areas of personal financial planning. Again, each weekly application paper will be critiqued by the instructor and should include an obvious and informed opinion with recognition of counter arguments per the issue, if any. If sufficient effort is obvious the papers will be given full credit per submission. If not, attendance at class will be granted but no credit regarding the paper which will, in turn, be detrimental to the final grade. Suggested topics include those on the syllabus for the given week or topics, again, of interest as self-selected by the student. The paper should remain fact based and objective excepting page 4 of the suggested format. The format below is a loose guide, not a rigid requirement...

Suggested format:

- Page 1- Statement of Topic and relevance to the personal financial planning process...
- Page 2- Arguments for or in favor of the topic in context...
- Page 3- Arguments against the particular topic in context...
- Page 4- Summary View and Argument of the Author for or against the given topic...

Note: As will be developed as a theme in class, special emphasis should be given in these weekly papers to discuss and review a) how the topics covered in class apply specifically to the section of the case study currently being analyzed and b) any suggestions and insights that will assist in developing a higher probability that ***the client's behavior (the predominant determinant in the success of the financial plan)*** will consistently correspond to their own stated objectives and in turn to the objectives of the written financial plan which requires, as you will note, both review and monitoring on an ongoing basis.

Effort Clause: Demonstration of consistent and constant effort will best be measured through these weekly assignments and the active participation in class. We are all old enough and presumably mature enough to understand what constitutes genuine effort. Demonstrate it and you won't be disappointed in the outcome concerning what you will take from the course in both expanded understanding of financial planning and your readiness to participate in its process.

TWO specific, in-depth papers will be required of each individual student that will demand greater research, argument and support- **and therefore effort**. On evenings when one of these papers are due, there will not be a requirement to submit the typical weekly application paper as described above.

Paper #1- This first paper due per the schedule below, will contemplate, evaluate and internalize the conclusions and arguments of Mr. Nick Murray- the author of ***Simple Wealth, Inevitable Wealth*** (by far the most significant of the required texts for this course).

Your assignment will be to read, process, internalize and present your findings concerning his arguments. What are his arguments? Do you agree or disagree? On what personal experience or the experience of those around you might you agree or disagree? What external evidence of your stance can you find out in the universe of your own research online or otherwise?

You might also look into what is being done in the profession currently to tackle the monumental issue of the effective management of client behavior and, in addition, you might address the question of what conclusions of Mr. Murray challenged your own thinking and what portions of his work caused you to reformulate or re-entrench your own beliefs?

To what extent did this expansion of your own thinking take place and do you believe your approach to financial planning will change as a result of mastering the content of his book? If so, how, why or why not?

If you disagree with any or all of Mr. Murray's conclusions, why is this so and what evidence can be found to the contrary?

It will be necessary to master the content of this short read to score well in this portion of the course. Order the book early in the semester (1st week) and waste no time getting immersed in the content here. It is a cornerstone of the course!!!

Paper #2- The second in-depth paper will be required during the course of the semester covering a topic of your own choice (subject only to instructor review and required approval) giving you the opportunity individually to explore a relevant topic of your own interest to a specific, significant and meaningful depth. The scope of your topic should be focused on a specific question that will be determined as you participate in the early weeks of the course. These two research exercises will of necessity be extended contemplations in both scope, length and depth beyond that of the weekly application papers and should include a thorough review and analysis of multiple sides of the argument with inclusion of as much supporting evidence and documentation as is reasonably possible to support your conclusions. This is a chance for you to develop some real expertise in a chosen area of personal financial planning. Develop a question and go for it!!! ***That is, as long as you obtain approval ahead of time from the instructor for your chosen topic...Submission of your topic for approval can most easily be accomplished by email...***

CASE STUDIES (“GROUP WORK”, AVOID “GROUP THINK...”)

In addition to review of parts of multiple case studies in class week-to-week, active and meaningful participation in the group/team setting is required. The culmination of this group effort will be the presentation in oral, visual and written form, a comprehensive financial plan, based upon an assigned comprehensive case study. This effort will surely require collaboration, analysis and several planning sessions outside of class. Due to the nature of the class (a “Capstone” course) this additional effort outside of class is both justified and consistent with the objective of providing multiple ways in which students can both participate in learning and demonstrate mastery of the core subject material of the course.

Considerable latitude will be given, by design, to each group to identify the individual strengths of group members. Allocation of the responsibilities for individual preparation and group presentation of the comprehensive case study will, of necessity, vary by group. The ultimate measure of individual effort within the team will be measured by the group internally. Only one group grade will be issued per case study and presentation.

Any challenges and frustrations that arise should be worked through internally and should be brought to the attention of the instructor only in the case of extenuating circumstances that render a group unable to meet the challenges posed by this joint work opportunity. Find reasonable ways to “make it work” internally- (i.e. Not all team members in real life make equal amounts of effort in the real world and therefore have differing levels of success.) The skills developed or honed in the group effort will represent further preparation for the "real world" that you will appreciate having a run at here as part of the Capstone experience.

It is suggested that each group meet every couple of weeks outside of class to breakdown and coordinate this comprehensive assignment along the way. Groups and your applicable case study will be assigned early in the course.

THREE ADDITIONAL & CRITICAL CASE STUDY CONSIDERATIONS:

- Remember to include multiple suggestions in your presentation regarding the issue of effectively managing ***the long-term behavior of the client***. Be specific about how you intend to keep them on the right course over the years- particularly when the economy and markets are creating apprehension and fear in the minds and hearts of these human beings.
- Remember that your written plan should be comprehensive but that your presentation of the plan orally and visually does not need to cover every detail of the written plan. Keep in mind that you are dealing with “people” and that the presentation needs to be effective in terms of their limited attention span. ***Focus your oral and visual presentations on the objectives that are most important to your potential clients*** and demonstrate the critical abilities to educate, to persuade and to lead their decision making process.
- Remember that you may not all choose to use the ***Sungard Wealth Station*** software that you have been granted access to. Some may choose to develop a plan for their hypothetical case study by using advanced financial planning software as provided by a current employer. Therefore, variations in the content and the presentation of the plan are noted and expected by the instructor. Presentation of the final plan should follow a simple, well organized and logical format incorporating your ability to use basic Microsoft Word, Excel and Power Point applications with figures drawn ***demonstrating a fundamental competency with a basic financial calculator***.

Although, there is no intention at this point to administer a mid-term or a final examination (largely because the comprehensive case will demonstrate more effectively the completion of course requirements than can a written examination) the instructor reserves the right to insert either or both of these exams as additional measures if the effort of the class seems generally lacking in the categories noted above.

Note: It is repeated for emphasis that your ***attendance and prepared/informed participation*** will be the most significant measures of your learning, growth and development as a potential future financial planning professionals. It will be readily obvious if individuals are making a reasonable effort or if likewise if they are going through the motions and coasting.

Note/Disclaimer: This course is ***not about giving “the right answer”*** or even “the instructor’s answer” but rather it is about offering answers and making arguments

and contributions that can both be deemed feasible and justifiable- if called upon to defend them. Genuine thought and substantive contribution the keys to success in the course and will be the essential, even if somewhat subjective, criteria for evaluation of student effort and success in the course.

Student feedback is strongly encouraged. This is valuable in a formal and in an informal sense and is appreciated at all times.

Intellectual Development:

In addition to developing technical expertise in the course subject matter, this course develops and fosters:

- Communication skills, both written and oral
- Critical thinking
- Decision-making
- Team work
- Intellectual curiosity and lifelong learning
- Awareness of the requirements when working with people

Grading Scale:

> 94.00 = A	80.00 - 82.99 = B-	67.00 - 69.99 = D+
90.00 - 93.99 = A-	77.00 - 79.99 = C+	63.00 - 66.99 = D
87.00 - 89.99 = B+	73.00 - 76.99 = C	60.00 - 62.99 = D-
83.00 - 86.99 = B	70.00 - 72.99 = C-	< 59.99 = E

Course Requirements:

	Percentage of Grade
Attendance, Prepared/Informed Participation, Weekly Written Assignments	50%
Group Submission, Oral Presentation of Comprehensive Written Financial Plan	25%
Submission of Specific In-Depth Research Papers	25%

Required Texts:

1. **Personal Financial Planning: Theory and Practice** (8th or most current edition as inventoried by the campus bookstore), Dalton and Dalton
2. **Financial Planning Series: Cases and Applications**, Kaplan and Schweser (8th or most current edition as inventoried by the campus bookstore)
3. **Simple Wealth, Inevitable Wealth** (Most recent edition...) - Nick Murray (www.nickmurray.com)

Other Required Materials:

Financial Calculator: HP10BII acceptable, HP12C preferred, Electronic App simulators of these calculators are also acceptable but are discouraged due to functionality of the keys when used electronically vs. physically...

Access to: Microsoft Word, Excel and Power Point

Demonstrated proficiency per the ***SunGard Wealth Station platform*** (if used)... Student Access Provided: *****Do each of you have your login through the department?*****

Faculty, Office Hours and Contact Information:

John A. Brinkerhoff, MSFS, CFP®, ChFC®, RICP®

Email: johnbrink186165@gmail.com

Mobile Phone: 801.362.0978

By Appointment Only...

Preferred Method of Contact: Email...

****NOTE:** Lectures during class periods will consist of either relevant dives into topics as needed or may be adjusted per the need to accommodate the schedules of the guest lecturers invited to the classroom. Flexibility and student input are encouraged throughout the semester.

The text book provides you a third party resource of reference and a way to come prepared for class per the expected topics of discussion. Relevant questions can and should be brought to class based upon this reading in text.

Further, students expecting the class to follow the schedule below with rigidity may be frustrated but won't ultimately be disappointed in their experience if they dig in, make the effort and enjoy the ride...

Week	Multiple cases (directed and open-ended) Content; Assignments; Tests	Reading and Preparation	Assignments Due
1	<p>Introduction to the Course and Course Guidelines/Policy Review...</p> <p>What the <i>Real Issue</i> is in this profession...</p> <p>Legislative and Practical Realities in Industry Glass Steagall Act (1933), Gramm-Leach-Bliley Act (1999)</p> <p>The struggle to become a profession...</p> <p>What this profession really needs...</p> <p>CFP Board's <i>Financial Planning Practice Standards</i> and the six-step financial planning process...</p> <p>CFP Board's <i>Code of Ethics and Professional Responsibility</i>...</p>	N/A	N/A
	<p>CFP Board's <i>Code of Ethics and Professional Responsibility (Continued)</i></p> <p><i>Regulatory/Compliance Issues Facing the Financial Planning Profession Today: Compensation vs. Standard of Care-Fiduciary Standard vs. Suitability Standard</i></p> <p><i>Additional Realities of Practice</i></p>	DD:Theory: Chapters 18-19, Appendix C & E	Weekly Application Paper

<p>2</p>	<p>Assign Groups, Case Studies & Expectations</p> <p>Review CFP Exam Equations</p> <p>Review the Use of Financial Calculators</p> <p>Discuss Communication Skills (Conceptual vs. Technical)</p> <p>Client's Decision Making Processes</p> <p>Plan Writing Strategies and Expectations</p>	<p>DD:Theory: Chapters 1, 6</p>	<p>Weekly Application Paper</p>
	<p>Opening Interview & Fact Finding</p> <ul style="list-style-type: none"> • Establishing Report and Expectations • Establishing Client Goals & Objectives • Identification of Special Needs • Projection of Budgets and Cash Flow • Debt Management (Ratios, Pay Off Technique, Amortization on Calculator) • Mortgage Variations & Philosophical Controversies • Understanding Reasonable Assumptions of the Financial Plan <p>Possible Visit from CFP® practicing professional</p>	<p>Assigned Case DD:Theory: Chapters 2-5</p>	<p>Weekly Application Paper</p>

<p>3</p> <p>**ROCK vs. SAND**</p>	<p>Risk Management Overview (Diagram):</p> <ul style="list-style-type: none"> • Life Insurance (\$1M, Types) • Health Insurance (Current Events) • Disability Insurance (Definitions and Triggers) • Property & Casualty Insurance (Liability Limits and Asset Protection) • Long-Term Care Insurance (Asset Protection) • Annuities: Fixed, Indexed (Chart) & Variable • Management of Market Risks Using Principles of Insurance & Their Effects on Behavior (VA's & Living Benefits) 	<p>DD:Theory: Chapters 8-11</p>	<p>Weekly Application Paper</p>
	<p>***Class Discussion on SWIW, Nick Murray***</p> <p>Possible Visit from CFP® practicing professional (Douglas J. Herdt, CFP®, ChFC)</p>	<p>SWIW, Nick Murray</p>	<p>Weekly Application Paper</p>

<p>4</p>	<p>Investments, Retirement & Education Considerations:</p> <ul style="list-style-type: none"> • Retirement Analysis (Need) • Construction of the Retirement Portfolio (MF Buckets vs. VA's) • Other Portfolio Construction Issues • The Inflation Beast • Asset Allocation (What is real AA?) • The Limitations of Modern Portfolio Theory • Quantitative Measures of Investments (Dipstick Approach- Determining Real Value in a Manager) • The Debate: Mutual Funds or VA's? • Risk Tolerance and Time Horizons • Education Planning • An Introduction to American Funds (Philosophy) • Diversification Facts and Myths • Real Estate in the Retirement Portfolio <p>Possible Visit from CFP® practicing professional</p>	<p>Obtain approval for your paper topic, Paper #2</p> <p>DD:Theory: Chapters 7 & 12</p>	<p>Paper #1- SWIW, Nick Murray, Due</p>
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<p>5</p>	<p>Income Tax Considerations:</p> <ul style="list-style-type: none"> • Doctrine of Constructive Receipt • Filing Status • Basic Broad Tax Formula (1040) • Deductions for AGI (Above the Line) • Allowable Exclusions • Taxation of Unemployment, Social Security • Types of Business Entities • Income Deferral (QPlans) • Capital Gains vs. Ordinary Income • Personal Residence Exemption (Ownership and Use Tests) & Moving Expenses • Rental Property Considerations • Tax Free Exchanges (1031 & 1035) • Basis of Assets Inherited (IRD etc.) • Municipal Securities (MAGI) • Alternative Minimum Tax • Charitable Contribution Deductions • Kiddie Tax • Administration of Tax Law <p>Possible Visit from CFP® practicing professional (<i>Myron Bouwhis, MBA, CPA, CFP®</i>)</p>	<p>DD:Theory: Chapters 13-14</p>	<p>Weekly Application Paper</p>
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<p>6</p>	<p>Additional Retirement Planning & Employee Benefits Considerations:</p> <ul style="list-style-type: none"> • Defined Benefit vs. Defined Contribution Environment • Qualified Plans (Plan Document, Eligibility, HC, Acid Tests etc.) • ERISA 1974 & Creditor Protection • Pension Protection Act 2006 (IRA's to \$1M etc. etc.) • Fiduciary Considerations & Obligations • Characteristics of Client Needs vs. Plans • Employer Uses of QPlans (Retention/Tax Planning) • Prohibited IRA Transactions • Net Unrealized Appreciation (NUA) • Deferred Compensation & Other Executive Compensation Methods (Rabbi/Secular Trusts, Corporate Owned Life Insurance, Top Hat Plans) <p>Possible Visit from CFP® practicing professional</p>	<p>DD:Theory: Chapters 15-16</p>	<p>Weekly Application Paper</p>
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<p>7</p>	<p>Estate Planning Considerations:</p> <ul style="list-style-type: none"> • Intestacy Statutes of Utah • Basic Estate Planning Documents (Will/Revocable Trust) • Probate and Probate Avoidance • Power of Attorney, Springing Power of Attorney, Living Will • Property Interests (Sole, TC, JTWRORS, TE, POD/TOD) • Concept of Operation of Law • Gifting Considerations (Annual Exclusion, Present Interest, Gift Splitting etc.) • Crummey Powers • Gross Estate and Deductions for AGE • AGE to Taxable Estate • Filing Deadlines of the Federal Estate Return 706 (Valuation vs. Alternate Valuation Date) • Basis of Property and Valuation Considerations • Marital Deduction • TRUSTS: A & B Trusts/ Many Others • Election against the Will • Custodial Accounts for Minors • Generation Skipping Transfer Tax • Income In Respect of a Decedent (IRD) • Estate Reduction Techniques • Estate Liquidity Issues • Common Mistakes <p>Possible Visit from CFP® practicing professional</p>	<p>DD:Theory: Chapter 17</p>	<p>Paper #2- Industry Issue Research Due</p>
<p>8</p>	<p>Work Session in Groups on Case Studies w/Instructor Feedback</p> <p>Possible Visit from CFP® practicing professional</p>	<p>Assigned Case</p>	<p>N/A</p>

9	Group Oral Presentations on Case Studies Begin	Assigned Case	Written Financial Plans Due (1 Per Group)
10	Group Oral Presentations on Case Studies Conclude and Class Potluck/Debrief	N/A	Written Financial Plans Due (1 Per Group)
11	No Class	N/A	N/A
12	Possible Written Final Exam- TBA	N/A	N/A

Academic Misconduct

Academic misconduct in any form will not be tolerated. This includes but is not limited to cheating, plagiarizing, misrepresenting one's work and/or inappropriately collaborating. Any student who engages in academic misconduct will receive a failing grade from the course without exception. If you have any questions regarding academic misconduct, please see the student handbook at www.admin.utah.edu/ppmanual/8/8-10.html

ADA NOTICE

Students will be accommodated should learning disabilities or other extenuating circumstances exist or arise during the course. Please make these needs known as soon as is reasonably possible. The University of Utah seeks to provide equal access to its programs, services and activities for any with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services (CDS), 162 Olpin Union Building, 581-5020 (V/TDD). CDS will work with us to ensure that appropriate accommodations are made. All written information within this course can be made available in an alternative format with prior notification to the Center for Disability Services.

Accommodations Policy:

Some of the readings, lectures, films, or presentations in this course may include material that may conflict with the core beliefs of some students. Please review the syllabus carefully to see if the course is one that you are committed to taking. If you have a concern, please discuss it with me at your earliest convenience. For more information, please consult the University of Utah's Accommodations Policy, which appears at: www.admin.utah.edu/facdev/accommodations-policy.pdf

Faculty Responsibilities:

All students are expected to maintain professional behavior in the classroom setting, according to the Student Code, spelled out in the Student Handbook. Students have specific rights in the classroom as detailed in Article III of the Code. The Code also specifies proscribed conduct (Article XI) that involves cheating on tests, plagiarism, and/or collusion, as well as fraud, theft, etc. Students should read the Code carefully and know they are responsible for the content. According to Faculty Rules and Regulations, it is the faculty responsibility to enforce responsible classroom behaviors, and I will do so, beginning with verbal warnings and progressing to dismissal from and class and a failing grade. Students have the right to appeal such action to the Student Behavior Committee.